

# Debtors' Ex. 74

(H.B. 3083)  
(Reconsidered)

(No. 118)

(Approved July 13, 2000)

## **AN ACT**

To authorize the issue of bonds of the Commonwealth of Puerto Rico in a principal amount which shall not exceed four hundred and twenty-five million (425,000,000) dollars, and the issue of notes in advance of bonds to cover the cost of necessary public improvements and the cost of the sale of such bonds; to provide for the payment of the principal and interest on such bonds and notes; to authorize the Secretary of the Treasury to make provisional advances from the General Fund of the Commonwealth Treasury to be applied to the payment of the costs of said improvements and said sale of bonds; to grant to the Secretary of Transportation and Public Works and to other agencies and instrumentalities of the Commonwealth, the power to acquire the necessary real and personal property and to exercise the power of eminent domain, to exempt said bonds, notes and interest thereon from the payment of taxes, and to repeal Section 16 of Act No. 153 of July 16, 1999.

### **BE IT ENACTED BY THE LEGISLATURE OF PUERTO RICO:**

Section 1.—The Secretary of the Treasury is hereby authorized to issue and sell, all at once or from time to time, bonds of the Commonwealth of Puerto Rico in a principal amount which shall not exceed four hundred and twenty-five million (425,000,000) dollars in order to cover the cost of the necessary public improvements listed below, including the acquisition of the necessary land or rights thereon, and equipment therefor, to draw up plans and specifications, the cost of the sale of the bonds and notes issued in

With regard to the acquisition and construction of the public works listed above, the Secretary of the Treasury is hereby authorized to pay all those costs incurred in connection with the issue of bonds and notes authorized by this Act. Any discount, charge for commitment or syndication, or any similar charge payable for the issuing of bonds and notes, shall be included in the computation of the price or prices for which said bonds and notes can be sold, pursuant to the provisions of this Act.

Section 2.—(a).—The bonds to be issued from time to time under the provisions of this Act, as well as any other detail related thereto, shall be authorized through an Act or Acts to be adopted by the Secretary of the Treasury and approved by the Governor. Said bonds shall be designated as “2001 Public Improvement Bonds of the Commonwealth of Puerto Rico.”

(b).—The bonds authorized to be issued under the provisions of this Act shall be dated, shall fall due on a date or dates that shall not exceed thirty (30) years from its date or dates (except the bonds which refer to public housing which shall mature not later than forty (40) years from their date or dates), shall accrue interest at a rate or rates that shall not exceed those legally authorized at the time the bonds are issued, may be redeemable before maturity at the option of the Secretary of the Treasury, may be sold with or without premium, shall be of such denomination and in such form, with interest coupons or registered, or both, shall have such registration and conversion privileges, shall be executed in such a form, shall be payable in such places within or without the Commonwealth of Puerto Rico, and shall contain such other terms and conditions as provided by the Enabling Act or Acts.

(c).—The bonds authorized hereunder may be sold all at once or from time to time, in public or private sale, and for such price or prices not lower

of the Treasury may determine as the most convenient in the best interests of the Commonwealth of Puerto Rico.

Section 4.—The good faith, credit and taxing power of the Commonwealth of Puerto Rico are irrevocably pledged for the prompt payment of the principal and interest on the bonds issued under the provisions of this Act. The Secretary of the Treasury is hereby authorized and directed to pay the principal and interest on such bonds as they mature, from any funds available for such purposes in the Treasury of the Commonwealth of Puerto Rico in the fiscal year in which such payment is required, and the provisions of this Act concerning the payment of the principal of and interest on such bonds shall be deemed a non-lapsing appropriation for the Secretary of the Treasury to make such payments even if no specific appropriations are made for such purpose. Said payments shall be made pursuant to the provisions of the Laws of the Commonwealth of Puerto Rico which regulate the disbursement of public funds.

The Secretary of the Treasury is hereby authorized and directed to include in the Enabling Act or Acts, the commitment which the Commonwealth of Puerto Rico hereby enters into, and that on said bonds it shall state that the good faith, credit and taxing power of the Commonwealth of Puerto Rico is thus pledged.

Section 5.—The Secretary of the Treasury, by Resolution approved by the Governor, is hereby authorized to borrow money and issue notes of the Commonwealth of Puerto Rico in advance of the bond issue, at any moment, or from to time, payable solely from the proceeds of said bonds.

Said notes shall be designated as “Notes in Advance of Bonds of the Commonwealth of Puerto Rico,” and it shall be consigned thereon that they are issued in advance of such bond issue.

Any payments that are made with respect to the notes in advance of the bond issue shall be made according to the provisions of the Laws of the Commonwealth of Puerto Rico that regulate the disbursement of public funds.

Section 7.—The proceeds of the sale of the notes and bonds issued under the provisions of this Act (other than the proceeds of the bonds required for the payment of the principal of such notes) shall be covered into a special fund denominated the “2001 Public Improvements Fund,” and shall be disbursed according to the statutory provisions that regulate the disbursements of public funds, and for the purposes provided herein.

Section 8.—The Secretary of the Treasury is hereby authorized to make provisional advances from any funds available in the Treasury of the Commonwealth of Puerto Rico shall be applied to defray the cost of the public works authorized to be financed with the proceeds of the sale of the bonds issued under the provisions of this Act. The Secretary of the Treasury shall reimburse any provisional advance made, out of the first moneys available in the 2001 Public Improvements Fund.

Section 9.—Pursuant to the determinations of the Director of the Office of Management and Budget, the Secretary of the Treasury, with the approval of the Governor, is hereby authorized to apply any funds appropriated by this Act which are not later needed for the purpose stated herein, to carry out any other capital public improvements approved by the Legislature of Puerto Rico, and which are pending to be executed chargeable to the General Fund.

Section 10.—The acquisition and construction of the public improvements authorized to be financed with the proceeds of the sale of bonds issued under the provisions of this Act shall be carried out in

establishes that five percent (5%) of the bond issue shall be used in capital improvement projects related to water resources, among other purposes.

Section 14.—All bonds and notes issued under the provisions of this Act, as well as any interest thereon, shall be exempted from the payment of any tax levied by the Commonwealth of Puerto Rico and its instrumentalities.

Section 15.—Section 16 of Act No. 153 of July 16, 1999, is hereby repealed.

Section 16.—This Act shall take effect July 1, 2000, except for the provisions of Sections 8 and 15, which shall take effect immediately after its approval.